

EXHIBIT 1

COPY

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2

UNITED STATES DISTRICT COURT

3

SOUTHERN DISTRICT OF NEW YORK

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5

WILHELM H. MICKELSEN,

6

Plaintiff, 09 Civ. 10138

7

-against-

(TPG)

8

BERTELSMANN, INC., and

(ECF CASE)

9

OFFSET PAPERBACK MFRS., INC.,

10

Defendants.

11

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12

13

January 6, 2010

14

10:07 a.m.

15

16

Deposition of WILHELM H. MICKELSEN, held at

17

the offices of Brody & Browne LLP, One Penn Plaza,

18

New York, New York, pursuant to Notice, before

19

Mildred Cassese, a Registered Professional

20

Reporter and Notary Public of the State of

21

New York.

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A P P E A R A N C E S:

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IT IS HEREBY STIPULATED AND AGREED, by and between the attorneys for the respective parties herein, that filing and sealing be and the same are hereby waived.

IT IS FURTHER STIPULATED AND AGREED that all objections, except as to the form of the question, shall be reserved to the time of the trial.

IT IS FURTHER STIPULATED AND AGREED that the within deposition may be signed and sworn to before any officer authorized to administer an oath, with the same force and effect as if signed and sworn to before the officer before whom the within deposition was taken.

1

2 **W I L H E L M H. M I C K E L S E N,**

3 called as a witness, having been first duly

4 sworn by the Notary Public (Mildred

5 Cassese), was examined and testified as

6 follows:

7 **EXAMINATION BY**8 **MRS. BRODY:**9 Q. Could you state your name and address
10 for the record.11 A. Wilhelm Hal Mickelsen. H A L is the
12 middle name. 76 Henfoot, H E N F O O T, Road,
13 Newton, New Jersey, N E W T O N, 07860.14 Q. Do you have a residence in New York
15 City?

16 A. Yes.

17 Q. Can you give us the address?

18 A. 140 East 81st Street 10028.

19 Q. How much time do you spend in New York
20 City?21 A. Probably now maybe one to two days a
22 week.23 Q. Did you do anything to prepare for
24 this deposition today?

25 A. Read our documents that the EEOC

1 **W. Mickelsen**

2 Q. Have you had a conversation with
3 anybody at Offset about this lawsuit?

4 A. No.

5 Q. Have you ever had a conversation with
6 Dave Leiss about it?

7 A. No.

8 Q. With Rick Pincofski?

9 A. No.

10 Q. Have you had a conversation with
11 anyone at -- I'm going to be precise -- at
12 Bertelsmann Inc. about this lawsuit?

13 A. No.

14 Q. What is Bertelsmann Inc.?

15 A. I believe, Counselor, that Bertelsmann
16 Inc. is the operating division of Bertelsmann in
17 the U.S., the corporate entity in the U.S.

18 I'm not a hundred percent clear on how
19 Bertelsmann Inc. relates to Bertelsmann AG in
20 Germany.

21 Q. Just so we're clear, Bertelsmann Inc.
22 you believe is a U.S. company?

23 A. I don't know.

24 Q. You don't know, okay.

25 Bertelsmann AG is a German company?

1 **W. Mickelsen**

2 A. I believe, German based; more or less
3 of a world company.

4 Q. And the main office of Bertelsmann AG
5 is located in Germany?

6 A. Yes.

7 Q. I'm not going to even presume to
8 pronounce the name --

9 A. Gutersloh, G U T E R S L O H, I
10 believe. I've never been very good with my German
11 either.

12 Q. Have you ever been to Gutersloh?

13 A. Yes.

14 Q. How many times have you been there?

15 A. I believe I've been there two times.

16 Q. What were the dates of those times?

17 A. When I first joined the company in
18 1986 a group of us were invited to come to
19 Gutersloh with our wives, more or less of an
20 introduction to the company.

21 Q. When was the second time?

22 A. You know, I don't recall. I've been
23 to Germany so many times for the book fares -- I
24 don't recall. It may not have been a second time,
25 but I believe I was there a second time -- oh,

1 **W. Mickelsen**

2 Q. Do you know who the CEO of Bertelsmann
3 Inc. is?

4 A. Sure.

5 Q. Who is that?

6 A. The present CEO is Hartmut, H A R T M
7 U T, Ostrowski, O S T R O F S K Y, I believe.

8 Q. Mr. Ostrowski, you're telling me, is
9 the CEO of Bertelsmann, Inc.?

10 A. No, sorry. Bertelsmann AG.

11 Q. We want to distinguish between
12 Bertelsmann AG and Inc. My questions all relate
13 to Bertelsmann Inc.

14 Do you know any employees of
15 Bertelsmann Inc.?

16 A. I have known them over the years, but
17 I'm not sure I know the present employees of
18 Bertelsmann Inc.

19 Q. Do you know the present CEO of
20 Bertelsmann Inc.?

21 A. No.

22 Q. Do you know if you ever had a
23 conversation with anybody at Bertelsmann Inc.?

24 **MR. HELLER:** Objection.

25 A. Many times.

1 **W. Mickelsen**

2 Q. Have you ever had a conversation --
3 well, tell me who you have had a conversation
4 with.

5 A. Over the years?

6 Q. Yes.

7 A. Peter Olson, Jackie Chasey, Ron -- I'm
8 trying to think of Ron's last name. He was, I
9 believe, the head of Bertelsmann Inc. -- he may
10 still be there -- I don't recall his last name,
11 but I've had conversations with various people
12 over 24 years with Bertelsmann.

13 Q. Is Peter Olson an employee of
14 Bertelsmann Inc.?

15 A. No, not any more.

16 Q. When was he an employee of Bertelsmann
17 Inc.?

18 **MR. HELLER:** Objection.

19 A. I believe in the early -- well, I
20 joined the company in '86, and I believe it was in
21 the late '80s.

22 Q. And that was prior to the time that he
23 became the head of Random House?

24 A. Oh, yes.

25 Q. Have you spoken to anybody at

1 *W. Mickelsen*

2 Bertelsmann Inc. in the last five years?

3 **MR. HELLER:** Objection.

4 You can answer.

5 A. I can't say for sure. Bertelsmann AG
6 for sure, but I don't know about Bertelsmann Inc.

7 Q. Have you had a conversation with
8 anybody at Bertelsmann Inc. about your
9 compensation?

10 **MR. HELLER:** Objection.

11 A. Not to my knowledge.

12 Q. Have you had a conversation with
13 anybody at Bertelsmann Inc. about the location of
14 your office?

15 A. No.

16 Q. Have you had a conversation with
17 anybody at Bertelsmann Inc. about your title and
18 position?

19 A. No.

20 Q. How about your responsibilities?

21 A. No.

22 Q. Have you ever reported to anyone at
23 Bertelsmann Inc.?

24 A. No.

25 Q. I forgot to ask you, are you presently

1 *W. Mickelsen*

2 on any medication, other than the usual?

3 A. Well, what are the usual?

4 Q. Blood pressure --

5 A. Yes, yes, I think I take a blood
6 pressure pill once a day and a tiny Lipitor once a
7 day and aspirin once a day. I think they are the
8 usual.

9 Q. I think they are the usual.

10 A. A Boniva once a month.

11 Q. And that's it, nothing else?

12 A. No.

13 Q. And you're generally in good health?

14 A. Yes.

15 Q. Would you please tell me the date of
16 your birth?

17 A. August 13, 1943.

18 Q. If we do the math, you are
19 presently --

20 A. 66.

21 Q. Does your wife work?

22 A. Yes.

23 Q. What does she do?

24 A. Book publisher.

25 Q. She's a book publisher?

1 *W. Mickelsen*

2 publishing business until 1985.

3 Q. Is that Airmont?

4 A. Well, Airmont is the -- there's two
5 companies; there's Thomas Bouregy and Company and
6 Airmont Publishing Company. That's a paperback
7 classics business.

8 Q. So they are two separate companies
9 owned by your father-in-law?

10 A. Yes.

11 Q. And there was a family dispute
12 relating to Airmont?

13 A. Well, there was a sister -- sisters
14 couldn't get along and I was -- I worked for the
15 company under a five-year contract, and I decided
16 to leave the company at the end of that contract,
17 and that's when I joined Offset Paperback.

18 Q. At Airmont what was your position?

19 A. They were two side-by-side companies.
20 I was the president.

21 Q. So you were in the production side as
22 opposed to sales side?

23 A. Well, in a small company you do many
24 things. You do production, you do sales, you do
25 marketing, you do -- this is a very small company.

1 **W. Mickelsen**

2 Q. Your first position was?

3 A. Salesman.

4 Q. Then after that -- let's back up a
5 minute.

6 Tell me just what is the business of
7 Offset?

8 A. Offset Paperback is a manufacturer of
9 paperback books, both what are commonly known as
10 pocket books, pocket novels as well as trade size
11 paperbacks.

12 Q. And who are some of Offset's clients?

13 A. Presently?

14 Q. Yes.

15 A. The largest being the sister company,
16 Random House, are among the largest. Actually
17 Random House and PGI, which is the Penguin Group
18 International, are the two largest companies,
19 followed by Harper, and Hachette Group, formerly
20 Time Warner.

21 And Dorchester Publishing, which is a
22 major company, and then probably about in a
23 descending size, of the two hundred additional
24 active customers, small publisher to a medium
25 size.

1 **W. Mickelsen**

2 Q. That's gratifying to know there's so
3 many publishers out there.

4 A. There's less and less.

5 Q. When you started what were your
6 responsibilities as a salesperson?

7 A. Find business for the company.

8 Q. Has that changed over time?

9 A. Yes, to some degree; always, though,
10 underlying, that was the main function.

11 Q. Did you change positions at any time?

12 A. In terms of -- yes, I was in 1992 I
13 was promoted to senior vice president.

14 Q. What were your responsibilities as
15 senior vice president?

16 A. Well, continuation with development of
17 business, that was always the main function, and
18 then as Mr. O'Connor was getting ready to retire,
19 to manage the sales group, which were maybe four
20 salespeople or so.

21 Q. And that culminated in you being given
22 the title senior vice president in and around
23 1992?

24 A. Yes.

25 Q. And at the time there were four

1 *W. Mickelsen*

2 salespeople, including yourself?

3 A. I believe so, yes.

4 Q. Actually, when you were first hired in
5 1986, you were -- were you 40 years old? How
6 would were you?

7 A. I believe I was 42.

8 Q. And has your title changed since you
9 became the senior vice president?

10 A. No.

11 Q. You are still senior vice president
12 today?

13 A. To the best of my knowledge.

14 Q. And what about your responsibilities?

15 A. I ceased managing the sales group some
16 time in maybe '96 and continued with my main
17 responsibility of developing new business.

18 Q. And at that time how many sales
19 representatives were there?

20 **MR. HELLER:** Objection.

21 Q. In 1996?

22 A. I believe, I believe about four in
23 our -- four in our group, four plus myself. Could
24 be five. I'm not sure.

25 Q. Today how many sales representatives

1 **W. Mickelsen**

2 A. I'd say probably around '90 or '92
3 perhaps.

4 Q. And George McCloskey?

5 A. George I hired as well, and that would
6 have been probably around '92, '94, thereabouts.

7 Q. Do you know Denise Polis?

8 A. I never knew her directly.

9 Q. Is she no longer at the company?

10 A. It's my understanding that she is not.
11 When you say the company --

12 Q. Let's be clear.

13 A. Now we're -- the group of companies.
14 She never worked for Offset directly, but I
15 believe worked for Coral Graphics.

16 (Discussion off the record.)

17 Q. Did there come a time that there was a
18 reorganization?

19 **MR. HELLER:** Objection.

20 Q. Of the company, the family of
21 companies?

22 A. Yes.

23 Q. And that was in 2006, 2007?

24 A. I believe when Mr. Leiss was made the
25 head of the companies was the beginning of '07, I

1 **W. Mickelsen**

2 believe April of '07.

3 Q. Was there any other effects of that
4 reorganization that you are aware of?

5 **MR. HELLER:** Objection.

6 Q. Other than Dave Leiss being made
7 president?

8 A. When -- could you be more specific?

9 Q. Sure. The family of companies
10 consists of Coral Graphics, Dynamic --

11 A. Graphic Finishing.

12 Q. Berryville?

13 A. Graphics.

14 Q. And OPM?

15 A. Correct.

16 Q. Was there a reorganization whereby the
17 salespeople within the four companies were merged
18 into one group?

19 A. Yes.

20 Q. That was what happened in early 2007?

21 A. I believe that happened more or less
22 over most of -- the latter part of 2007, let's say
23 from the last half of 2007.

24 Q. Can you tell me precisely what
25 happened when they were all consolidated?

1 *W. Mickelsen*

2 **MR. HELLER:** Objection.

3 A. I can't, Counselor, because I really
4 wasn't part of that group. I was still senior
5 vice president. I was not a commissioned
6 salesperson. I was salaried employee, bonus,
7 etcetera. I was not part of the, quote unquote,
8 sales group.

9 I reported directly to the president.

10 Q. But you were in sales?

11 A. Yes.

12 Q. And so why were you not part of the
13 sales group?

14 A. It's the way it was structured under
15 when I stopped managing the sales group, my duties
16 continued as senior vice president interacting
17 with all of our major customers at the top levels,
18 and they hired a new sales manager, Randall
19 Xenakis, X E N A K I S, who managed the sales
20 group, but I reported to the president of the
21 company, Michael Gallagher.

22 Q. And Mr. Gallagher left the company in
23 2007?

24 A. Yes.

25 Q. Then who did you report to or who do

1 **W. Mickelsen**

2 cross-examine Mr. Mickelsen, but it's not
3 appropriate for you to make a speaking
4 objection.

5 If you have a problem with my
6 question, objection, and we can proceed.

7 **MR. HELLER:** Well, I think just to
8 the intent that you're assigning to my
9 objection, I think I know what information
10 you're trying to elicit, and the question
11 seems to have been a little too vague.

12 **MRS. BRODY:** Fine. Object.

13 **MR. HELLER:** To the extent that I
14 have so far tried to keep my objections
15 minimal, I will continue in the future, but
16 I just think that question required a little
17 more investigation.

18 **MRS. BRODY:** Okay. You are free to
19 do so.

20 Q. Let's go back to 1991 -- 1991 or 1992,
21 when you became the senior vice president of
22 sales.

23 Did you report to Dave Leiss at that
24 point in time or was it Michael --

25 A. Michael Gallagher.

1 **W. Mickelsen**

2 be the person that I -- when Michael Gallagher
3 left, Joe Makarewicz became the acting head of the
4 company -- I'm not sure when Mr. Gallagher left
5 the company, but I believe it was around the time
6 that Mr. Leiss became the head of the group of
7 companies would be -- so Joe would be the person I
8 reported to.

9 Q. And then subsequently became Dave
10 Leiss?

11 A. Yes.

12 Q. When you became senior vice president
13 of sales -- actually when you started at the
14 company, how were you compensated, on what basis?

15 A. Salary and commission.

16 Q. Did that change when you became senior
17 vice president of sales?

18 A. Yes.

19 Q. And you were then compensated on what
20 basis?

21 A. Salary and bonus. No commission.

22 Q. And how was your bonus calculated?
23 Was it a discretionary bonus?

24 A. It was a prescribed formula based on
25 the performance of the company for the previous

1 *W. Mickelsen*

2 year.

3 Q. Was there a percentage of sales? What
4 was the formula?

5 A. I believe it was based on return on
6 assets, profit and return on assets.

7 Q. How was return on assets calculated in
8 this company?

9 A. I'm not an accountant, so I don't
10 really know. I don't know how that is exactly
11 calculated. I think it's the profit based on the
12 assets employed.

13 Q. And that was for Offset, it was return
14 on the assets of Offset?

15 A. Yes.

16 Q. There was no -- you were not paid
17 based on any return on assets of Bertelsmann Inc.
18 or any of the larger companies?

19 A. No.

20 Q. It was just Offset?

21 A. Correct.

22 **MRS. BRODY:** Why don't we mark this
23 as one exhibit. These are Mr. Mickelsen's
24 W-2s and they were produced by the plaintiff
25 and they are Bates 65 through -- I assume

1 *W. Mickelsen*

2 \$105,622.93?

3 A. Yes.

4 Q. These W-2s all come from Offset
5 Paperback Manufacturers, correct?

6 A. Correct.

7 Q. Which is located in Dallas, PA?

8 A. Yes.

9 **MR. HELLER:** Objection to that
10 question.

11 Q. What are the benefits that you
12 received from OPM, from the company?

13 A. Benefits other than income?

14 Q. Yes. Health insurance?

15 A. Yes.

16 Q. And the health insurance -- do you
17 make a contribution?

18 A. No.

19 Q. It's totally paid by the company?

20 A. Yes.

21 Q. And it's still totally paid by the
22 company?

23 A. Yes.

24 Q. What about pension?

25 A. There is an additional health

1 **W. Mickelsen**

2 insurance, long term health care.

3 Q. Is that fully paid by the company?

4 A. Fully paid by the company, yes.

5 Q. That's nice.

6 A. It certainly is. That's not across
7 the board. It's only -- it was only a small group
8 of the executives that received that.

9 Q. And you're one of the executives that
10 receives it?

11 A. Correct. I think there were eight or
12 nine.

13 Q. Any other benefits? Pension?

14 A. Yes, pension.

15 Q. And you make a contribution to that?

16 A. No. It's based on a percentage of
17 your income, of your base income.

18 Q. And when are you entitled to start
19 collecting on your pension?

20 A. Retirement, I assume.

21 Q. Any other benefits?

22 A. 401K, which the company contributes to
23 on a percentage match basis, like most companies.

24 Q. Anything else?

25 A. Executive deferred compensation

1 **W. Mickelsen**

2 They wrote it out and I signed it. I
3 verbally told them and then they needed a
4 document, so --

5 Q. So you ceased in August of '07?

6 A. Yes. My salary was cut on
7 August 13th, the beginning of my new salary, so
8 this would have been probably the first paycheck.

9 It was -- happened to be on my
10 birthday. I can remember the date, August 13th,
11 '07.

12 Q. I was very impressed because I had to
13 look back to see when it was.

14 Mr. Mickelsen, you do not have an
15 employment agreement with Offset Paperback?

16 A. No.

17 Q. And you are an at will employee?

18 A. Yes.

19 Q. You are obviously still employed by
20 Offset Paperback?

21 A. Yes.

22 Q. You receive your compensation from
23 Offset Paperback?

24 A. I receive my much reduced
25 compensation, yes.

1 **W. Mickelsen**

2 handbook, marked for identification, as of
3 this date.)

4 Q. You've seen that before, Mr.
5 Mickelsen?

6 A. I believe I have, yes. It's a
7 recent -- recent -- there's been iterations of
8 this over the years, so this would be -- yes, I
9 believe I have.

10 Q. And the handbook contains company
11 policies?

12 A. I would assume so. As I say, I
13 haven't looked through it, but I can quickly run
14 through it.

15 Q. And I'm going to direct your attention
16 to a couple of the policies. Let's start with, if
17 we look on page 28 of the handbook there is a code
18 of business conduct, Bates stamp DEF 276.

19 A. Okay.

20 Q. That's the code of conduct?

21 A. Yes.

22 Q. If you turn the page there is a
23 nonharassment policy.

24 Are you familiar with that?

25 It says OPM is committed to providing

1 *W. Mickelsen*

2 a work place that is free of discrimination and
3 unlawful harassment.

4 And in the second sentence it
5 specifically mentions age.

6 Actions, words, jokes or comments
7 based on an individual's age will not be
8 tolerated.

9 A. Yes.

10 **MR. HELLER:** Is there a question?

11 **MRS. BRODY:** I'm asking whether he is
12 familiar with this policy.

13 A. I assume I have read it and I would
14 agree with -- that that would be one of our codes.

15 Q. Are you familiar with the U.S. code of
16 business conduct?

17 A. Bertelsmann's U.S. code of business
18 conduct or the general?

19 Q. Why don't we just look at it and see
20 what it's called.

21 OPM U.S. Code of Business Conduct.

22 **MRS. BRODY:** We're going to mark this
23 as the next exhibit. It's Bates stamped 295
24 through 321.

25 **(Defendants' Exhibit 5, Document,**

1 **W. Mickelsen**

2 Paperback Manufacturers Inc. personnel
3 policy, Bates DEF 00011, marked for
4 identification, as of this date.)

5 Q. Do you recognize that, Mr. Mickelsen?

6 A. Yes.

7 Q. Do you see that you affirm that you
8 will comply in all respects with the requirements
9 set forth in the ethical conduct of business?

10 A. Yes.

11 Q. As the same may be amended from time
12 to time?

13 A. Yes.

14 **MRS. BRODY:** Let's mark as the next
15 exhibit, Offset Paperback Manufacturers Inc.
16 U.S. code of business conduct.

17 **(Defendants' Exhibit 7, Offset**
18 Paperback Manufacturers Inc. U.S. code of
19 business conduct, Bates DEF 00012, marked
20 for identification, as of this date.)

21 Q. Are you familiar with that document?

22 A. Yes.

23 Q. Is that your signature?

24 A. Yes. I can't read it, but I know it's
25 mine.

1 *W. Mickelsen*

2 Q. Again, in this statement you stated
3 that you agreed to read the code and familiarize
4 myself with its provisions, and you affirm that I
5 will comply in all respects with the code
6 requirements set forth therein as the same may be
7 amended from time to time.

8 A. Yes.

9 Q. And the last sentence, you affirm I
10 fully understand that should I violate any of the
11 standards of business conduct set forth in this
12 policy I would be subject to disciplinary action
13 which may include dismissal.

14 A. Yes.

15 Q. If you would look back at the U.S.
16 code of conduct and turn to page Bates defendant
17 298, under ethical standards it says we reject all
18 forms of discrimination and harassment.

19 A. Yes.

20 Q. You're familiar with that policy?

21 A. Yes.

22 Q. And in signing your affirmation you
23 agree that you would comply with that?

24 A. Yes.

25 Q. During the course of your employment

1 **W. Mickelsen**

2 at Offset, has anyone made a discriminatory
3 comment to you?

4 A. No.

5 **MR. HELLER:** Objection.

6 Q. Has anybody said anything to you about
7 your age?

8 A. No.

9 Q. Just to make clear, let's go back to
10 code, if you look at the code, page 312, it says
11 respect for others. This policy states we are
12 committed to employing equal employment
13 opportunities and to preventing discrimination
14 with respect to protected characteristics.

15 We mentioned age was one of the
16 protected characteristics.

17 You see sexual orientation is also one
18 of the protected?

19 A. Yes.

20 Q. And that again is a policy that you
21 pledged to comply with?

22 A. Yes.

23 Q. Going back to the reorganization, do
24 you have any understanding as to why there was a
25 reorganization?

1 *W. Mickelsen*

2 **MR. HELLER:** Objection.

3 Q. Was it for business reasons? Was it
4 for personnel reasons? Did anybody have a
5 conversation with you about the need for
6 reorganization?

7 **MR. HELLER:** Objection.

8 Q. There are a couple of questions in
9 there.

10 A. I don't recall.

11 Q. You don't recall?

12 A. No.

13 Q. In 2007 did you have a conversation
14 with anyone at the company about the
15 reorganization?

16 **MR. HELLER:** Objection.

17 A. About the general reorganization?

18 Q. Right. We're going to restructure,
19 we're going to consolidate. The salespeople are
20 all going to be in one group.

21 A. I believe there was a discussion about
22 merging the entire group together under the Arvato
23 Print Group -- Print U.S. Group.

24 Q. Was that in the form of a meeting to
25 make an announcement about it?

1 **W. Mickelsen**

2 believe, to help in his financing.

3 And our financial vice president,
4 whose name was Tony Kleinhans, K L E I N H A N S,
5 said what about a joint venture?

6 And that was the birth of Offset
7 Paperback and Dynamic Graphic finishing being one
8 company.

9 Subsequently it became a standalone
10 Bertelsmann company, as Berryville Graphics was
11 and Offset Paperback was, and then subsequently
12 Coral Graphics became, I believe, part of Dynamic
13 Graphics. Then they merged it all under
14 Bertelsmann, Arvato Group.

15 It's always been Bertelsmann.
16 Whenever we had -- we were always encouraged to
17 use the Bertelsmann name, rather than Berryville
18 Graphics by itself or Offset Paperback by itself.

19 We were always encouraged to use that
20 brand to -- and then it became Arvato and we were
21 told to use the Arvato brand, Bertelsmann Arvato
22 brand.

23 This -- just an evolution over
24 24 years of being there, I have all different
25 color business cards.

1 *W. Mickelsen*

2 A. From 19 what?

3 Q. 1996 to 2006.

4 A. My main responsibilities were to
5 report on progress of new business, develop new
6 business, attend staff reports -- staff meetings,
7 contribute to strategy sessions.

8 We had a very organized monthly staff
9 meeting of the OPM executives, wherein we would
10 report on finance, on personnel, on human
11 resources, the benefits, right around the table of
12 I'd say there were probably ten to 12 reports.

13 My responsibility was to report
14 monthly to Michael Gallagher progress and
15 developments from the standpoint of sales of my
16 responsibilities with the company; not the sales
17 group --

18 Q. Just your own personal --

19 A. My own personal.

20 And then also anything -- any other
21 things that -- interaction -- I may have had lunch
22 with Peter Olson and discussions with him or other
23 executives.

24 But it was a -- an interactive thing
25 that happened as soon as the financial figures

1 *W. Mickelsen*

2 were available from the previous month, we would
3 have the monthly staff meeting.

4 Q. And would everybody go around and
5 report on what they were engaged in?

6 A. Yes.

7 Q. And that was under Michael
8 Gallagher's --

9 A. Yes.

10 Q. -- tenure?

11 A. Correct.

12 Q. Now, in 2007 when Dave Leiss took over
13 and you started reporting to him, what were your
14 responsibilities?

15 A. Well, once again, in the very
16 beginning I did attend a couple of staff meetings
17 and I was asked to report on the status of the
18 paperback book business in America going forward.

19 That happened only for a very short
20 time, and then no more meetings, no more -- I
21 attended no meetings.

22 Q. So there are no more staff meetings?

23 A. There are staff meetings, but I don't
24 attend them.

25 Q. Are you the only person who doesn't

1 *W. Mickelsen*

2 attend them?

3 **MR. HELLER:** Objection.

4 A. I don't know if I'm -- no, I'm not the
5 only person -- there's lots of people who don't
6 attend them. We have 600 employees.

7 Q. Do you know who attends the staff
8 meetings?

9 A. No.

10 Q. And do you know if any of the other
11 sales reps attend the sales meetings?

12 A. Sales reps never attended the staff
13 meetings.

14 Q. I thought you said that in 1996 you
15 stopped managing the other sales reps.

16 A. That's what I'm referring to. That --
17 I only reported on my own responsibilities. When
18 you said -- I'm assuming '96 is the approximate
19 time.

20 Q. I'm not holding you to the specific
21 date.

22 A. In terms of my activities, if I went
23 to California on business or South Carolina or
24 Germany, the book fair, any developments I would
25 always report this at the staff meetings.

1 *W. Mickelsen*

2 Q. And there would be other sales reps
3 there doing --

4 A. No.

5 Q. Only you --

6 A. Only vice-presidents and directors.

7 Q. And do you know if Dave holds these
8 meetings of vice-presidents and directors?

9 A. I believe they have a staff meeting of
10 some sort now, but I'm not -- it may be the entire
11 group.

12 Q. But you don't know for sure?

13 A. I don't attend.

14 Q. And who are the other -- who are the
15 vice-presidents?

16 A. At Offset Paperback?

17 Q. Yes, Offset.

18 A. Myself, and Rick, Richard Pincofski,
19 P I N C O F S K I, Pincofski.

20 All the other vice-presidents are gone
21 from the company.

22 Q. And you and Rick would attend the
23 meetings prior to 2007?

24 A. Yes.

25 Q. Who else attended those meetings, you,

1 *W. Mickelsen*

2 Rick, Mike --

3 A. Okay, we did it for so many years I --
4 Mike at the head of the table.

5 His secretary, Tressa Schwartz, who is
6 the office manager and executive assistant.

7 Myself.

8 Bill Rogers, our vice president of
9 engineering.

10 Rick Pincofski, our vice president of
11 finance.

12 Randall Xenakis, vice president of
13 sales and sales manager.

14 Jim Meizanis, M E I Z A N I S, our
15 head of customer service and scheduling.

16 Bill Hardwick, our quality control
17 director.

18 Ken chapel, our controller.

19 Ron Place, our, at the time, head of
20 warehousing and IT.

21 Adam Crahall, head of human resources.

22 Robert Lambert, head of cost
23 estimating.

24 Probably a couple of more.

25 Q. Okay, all right --

1 **W. Mickelsen**

2 A. Maybe two or three more.

3 Q. Okay. Thank you.

4 A. But it was an all-day meeting. It
5 would start generally before lunch, pizza would
6 come in or something, and then we would continue
7 until late in the afternoon monthly.

8 Q. Who are the directors today at OPM?

9 A. Today, Adam Crahall is gone and his
10 assistant is the acting head of personnel -- I
11 don't know if he has the title director.

12 Adam was the only director. Everybody
13 else seemed to be a vice president. I don't know
14 why they -- that's another story, doesn't matter.

15 But Robert -- oh, there is another
16 vice president.

17 Q. Presently?

18 A. Presently. They brought in -- when
19 Joe Makarewicz, who was executive vice president
20 and acting head of the company was -- left the
21 company, some time later they hired Robert
22 Scheifflee, S C H E I F F L E E, as the
23 manufacturing manager, and I believe subsequently
24 he was made a vice president.

25 Q. So there are two vice presidents --

1 *W. Mickelsen*

2 A. Bill Rogers is gone, the vice
3 president of engineering, and there's nobody in
4 his office up until this week, somebody new came
5 in by the name of Robert Reilly, but I'm not sure
6 what his position is. It's not engineering,
7 though.

8 The engineer that took over was Bill's
9 assistant, David Dompkowski, D O M P K O W S K I.

10 Rick Pincofski is still there. He is
11 also doing Berryville Graphics, vice president of
12 finance for Berryville Graphics. He is doing two
13 jobs now.

14 In addition -- I'm trying to think --
15 Jack O'Donnell is the -- I don't know what Jack's
16 exact title is, but I think he's, like, managing
17 director of Offset Paperback. He is David's long
18 term, since the beginning, partner in Dynamic
19 Graphic Finishing, so Jack is coming to Offset
20 Paperback Monday, Tuesday, Wednesday, and he is
21 the on site acting head of the company.

22 Q. Mitch Weiss, is he in charge of all
23 the salespeople now?

24 A. I believe so.

25 Q. And so they all report to him?